

Bankrate: Mortgage Rates Hit New Record Lows

September 20, 2012 7:32 AM ET

NEW YORK, Sept. 20, 2012 /PRNewswire via COMTEX/ --Fixed mortgage rates fell to new record lows this week, with the benchmark 30-year fixed mortgage sinking to 3.70 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.43 discount and origination points.

To see mortgage rates in your area, go to <http://www.bankrate.com/funnel/mortgages/>.

The average 15-year fixed mortgage rate plunged to 2.95 percent and the larger jumbo 30-year mortgage retreated to 4.32 percent, both record lows. Adjustable mortgage rates reset record lows also, with the 5-year and 7-year ARMs dropping to record lows of 2.69 percent and 2.87 percent, respectively.

The Federal Reserve's unveiling of a new stimulus program known as QE3, in which they'll be buying \$40 billion of mortgage-backed securities each month on an open-ended basis exceeded the market's expectations and helped bring mortgage rates to new lows. Unhappy with the pace of economic recovery or job growth, the Fed felt compelled to take additional measures, even if those measures will be more effective at boosting the stock market and reducing interest rates than the stated intentions of lifting economic output and aiding job growth.

The last time mortgage rates were above 6 percent was Nov. 2008. At the time, the average 30-year fixed rate was 6.33 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,241.86. With the average rate now 3.7 percent, the monthly payment for the same size loan would be \$920.57, a difference of \$321 per month for anyone refinancing now.

SURVEY RESULTS

30-year fixed: 3.70% -- down from 3.81% last week (avg. points: 0.43)

15-year fixed: 2.95% -- down from 3.04% last week (avg. points: 0.37)

5/1 ARM: 2.69% -- down from 2.75% last week (avg. points: 0.39)

Bankrate's national weekly mortgage survey is conducted each Wednesday from data provided by the top 10 banks and thrifts in the top 10 markets.

For a full analysis of this week's move in mortgage rates, go to <http://www.bankrate.com/>.

The survey is complemented by Bankrate's weekly Rate Trend Index, in which a panel of mortgage experts predicts which way the rates are headed over the next seven days. There is no clear consensus again this week, with 46 percent of the panelists expecting mortgage rates to remain more or less unchanged in the next week and 39 percent predicting further declines. Just 15 percent foresee an increase in mortgage rates over the coming week.

For the full mortgage Rate Trend Index, go to <http://www.bankrate.com/RTI>.

About Bankrate, Inc. (NYSE: RATE)

The Bankrate network of companies includes Bankrate.com, Interest.com, Mortgage-calc.com, Nationwide Card Services, InsureMe, CreditCardGuide.com, Bankaholic, CreditCards.com and NetQuote. Each of these businesses helps consumers to make informed decisions about their personal finance matters. The company's flagship brand, Bankrate.com is a destination site of personal finance channels, including banking, investing, taxes, debt management and college finance. Bankrate.com is the leading aggregator of rates and other information on more than 300 financial products, including mortgages, credit cards, new and used auto loans, money market accounts and CDs, checking and ATM fees, home equity loans and online banking fees. Bankrate.com reviews more than 4,800 financial institutions in 575 markets in 50 states. Bankrate.com provides financial applications and information to a network of more than 75 partners, including Yahoo! (Nasdaq: YHOO), America Online (NYSE: AOL), *The Wall Street Journal* and *The New York Times* (NYSE: NYT). Bankrate.com's information is also distributed through more than

500 newspapers.

For more information contact:

Kayleen Yates

Senior Director, Corporate Communications

kyates@bankrate.com

(917) 368-8677

SOURCE Bankrate